Sl. No.	Bank	Branches fully Computerised	No. of Branches Partially Computerised
16.	UCO Bank	18	200
17.	Union Bank of India	61	402
18.	United Bank of India	12	92
19.	Vijaya Bank	80	77

(b) and (c) Computerisation in the banking industry is not only for the purpose of reducing the possibilities of corruption but also for the purposes of enhancing the efficiency of banks and providing better customer service. The Central Vigilance Commission (CVC) have issued instructions in exercise of the power conferred on the CVC by Section 8(1)(h) of the Central Vigilance Commission ordinance 1998 that all banks must ensure that 70% of their business is captured through computerisation before 01.01.2001.

Merger of Public Sector Banks

1728. SHRI SANJAY NIRUPAM: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news item, which appeared in 'The Statesman' dated the 15th September, 1998 wherein the Chairman of Indian Banks Association has stated that there is no need to keep 29 public sector banks and some of these should be merged; and

(b) if so, what is Governmet's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) Yes, Sir.

(b) There is no proposal at present to merge public sector banks.

Reports of the NCAER

1729. SHRI E. BALANANDAN: SHRI C.O. POULOSE:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the reports of the National Council for Applied Economic Research (NCAER) released in the 2nd week of August, '98 which warned Government that in near future there would be no industrial recovery, foreign inflows would fall by as much as one billion dollars, interest rates and inflation would rise and the rupee would sink to 44 to the dollar; and

(b) if so, what is Government's reaction thereto?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) A report entitled "Review of the Economy" brought out by the National Council of Applied Economic Research (NCAER) in Septemeber, 1998 has high-lighted the trends of major macro economic variables in the Indian Economy in 1998-99. The report indicated that there is a slump in the foreign direct investment inflows and slowdown in industrial growth in the first quarter of 1998-99. It further mentioned that interest rates may harden, inflation rate picked up momentum since April, 1998, and rupee depreciated by about 12 per cent during the first quarter of 1998-99.

(b) Views of research institutions and professional organisations involved in

economic research are taken into account while framing appropriate policies.

Non-Adherance to Norms by Nationalised Banks

1730. SHRI S. PETER ALPHONSE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that certain Nationalised Banks, especially in Tamil Nadu and Kerala, are not adhering to the norms stipulated by the Reserve Bank of India in the case of advances/loans to farmers;

(b) if so, the steps taken to remove the anomaly being committed by these Banks; and

(c) the steps taken to streamline the different systems of sanctioning advances/ loan to farmers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) As reported by Reserve Banks of India (RBI), in terms of extant policy commercial banks are required to grant atleast 18% of their Net Bank Credit (NBC) as finance to agriculture. However, despite substantial increase in outstanding of advances to agriculture from Public Sector Banks from a level of Rs. 15857 crores (1991) to Rs. 34304.50 crore (1998), the target of 18% of NBC to agriculture has not been fully achieved by some commercial banks. Notwithstanding this, RBI has advised scheduled commercial banks to make all efforts to achieve the stipulated target/sub-target for lending to priority sector/agriculture. Banks which do not achieve the lending sub/target of 18% of NBC are required to make contribution to the Rural Infrastructural Development Fund (RIDF) maintained by National Bank for Agriculture and Rural Development (NABARD) which is used to provide funds to the State Government for investment in rural infrastructure.

(b) and (c) A number of steps have been taken by RBI and NABARD to enhance the credit flow to the agriculture sector. Some of thse include, inter-alia the following:—

(i) Banks have been asked to formulate Sepcial Agriculture Credit Plans (SACPs). They have also been asked by RBI to increase disbursements under SACPs to agriculture by 25%;

(ii) Banks have been advised to set up specialised agricultural branches in each State to exclusively deal with high-tech agricultural advances;

(iii) Banks have been advised to extend cash credit facilities for meeting composite credit requirements of farmers having a good track record;

(iv) Most of the recommendations made by the High Level Committee on agriculture credit (R.V. Gupta Committee) appointed by RBI have been accepted which include, *inter-alia*, simplification of procedures regarding loan applications, delegation of powers to branch managers, introduction of composite cash credit limits to farmers, introduction of new loan products with savings component, cash disbursement of loans, discretion to banks on matters relating to margin/security requirements for agricultural loans above Rs. 10,000/- and dispensing with "Not Due Certificate" as a compulsory requirements, etc. It is expected that these recommendations when fully implemented by banks would improve flow of credit to agriculture sector specially small and marginal farmers.